



DEFENSE LOGISTICS AGENCY  
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IN REPLY  
REFER TO

J-347

APR 3 2001

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Security Assistance (SA)/Foreign Military Sales (FMS) Policy  
Updates and General Information

The purpose of this memorandum is to reiterate current DLA SA/FMS policy and information throughout DLA. The policy guidance contained in Attachment 1 of this memorandum is summarized. Attachment 2 contains a list of the original reference documents. Please **provide** the widest dissemination of this information throughout your activity or those activities under your purview. Anyone dealing with foreign customers or persons supporting DLA SA/FMS programs should be aware of these policies as they relate to their functional area. Examples would be those pertaining to contract administration for FMS countries or the packing requirement depots adhere to for SA/FMS shipments.

Our point of contact for this matter is Ms. Linda Kimberlin, DSN 427-7515 or commercial (703) 767-7515. The email address is [linda\\_kimberlin@hq.dla.mil](mailto:linda_kimberlin@hq.dla.mil).

  
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Colonel, USAF  
Chief, International Programs  
Readiness & Customer Support

Attachment

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**Defense Logistics Agency  
Security Assistance (SA)/Foreign Military Sales (FMS)  
Policy Recap**

**GENERAL:**

**Reference A** was the *last* edition of **this policy letter, dated April 15, 1998** and applies as a reference to all paragraphs that are significantly unchanged from the last publishing.

**REQUISITION PROCESSING:**

**FMS Cooperative Logistics Supply Support Arrangement (CLSSA)** programmed requisitions (V in record position (rp) 35 and Cooperative Logistics Program Support Code (CLPSC) 1 in rp 72) will be satisfied on the same basis as U.S. Force requirements in accordance with the country's Force Activity Designator (FAD) and the Uniform Materiel Movement and Issue Priority System (UMMIPS) Priority Designator. FMS CLSSA programmed requisitions will be issued below the safety level. (References A, B, and C apply.)

**Presidential Determinations (Drawdown) requisitions**, identified by a Type of Assistance Code (TAC) C in rp 35, are processed in the same manner as U.S. Forces' with the exception that new procurement is not authorized. Issue is authorized below the Reorder Point Level (ROPL). Requisitions are processed as "fill or kill". **Drawdown** requisitions will not be placed on backorder. War Reserve materiel will not be issued to satisfy a **drawdown** requirement without the specific approval of the Commander of the applicable Inventory Control Point (ICP). (References A, B, C, and D apply.)

**Numeric Required Delivery Dates (RDDs)** may be used on CLSSA programmed requisitions (V in rp 35, 1 in rp 72). For unprogrammed CLSSA requirements (2 in rp 72) or non-CLSSA requisitions, an RDD may adversely affect the requisition due to the requirement to do Notices of Availability (**NOAs**). In addition, the **DoD** backorder policy for non-CLSSA requisitions (backorder at the ROPL) may make the use of a numeric RDD impractical. In lieu of a numeric RDD for a non-CLSSA requisition, it is recommended an "A" Required Availability Date (**RAD**) be used. (References A, B, C, and D apply.)

**The RAD is an option available to the FMS customer, but is not required.** DLA recommends use of a RAD in lieu of a numeric RDD for a non-CLSSA. The "A" in rp 62 of the RAD allows issue anytime before the end of the month denoted by the numerics in the second and third positions, rp 63-64. The number of months to the date the item is required is computed from the date of the requisition, rp 36-39. RAD A must be assigned in concert with the priority designator. (References A, B, C, and D apply.)

**FMS Non-CLSSA or nonprogrammed CLSSA requisitions** will automatically issue to ROPL plus one in accordance with **DoD** policy (reference C). Requirements,

which can't be satisfied automatically at the item's ROPL, may be supported using one of the options below, to the extent authorized by the TAC and the Source of Supply (SOS) codes assigned. This list may not be all inclusive of appropriate support options.

- (1) The ICP head or his designee may authorize issue below the reorder point if the item is readily procurable or assets are due in from contract and/or U.S. Forces support will not be jeopardized. **DLA's** three **ICPs** all have aggressive programs to reduce our backorders. DSCP has developed a program called 52 1, which moves Type 5 backorders to Type 1 backorders in less than 100 days and will issue automatically, without Item Manager (IM) intervention, when stock is available (reference Y applies). DSCC is also using the 521 program, using actual procurement lead-times to define when a backorder may be moved from a Type 5 to a Type 1 backorder. DSCR currently uses a different program but has been requested to perform a comparative analysis of the two programs.
- (2) The IM may place the requisition on backorder for future contract award and item delivery. Backorders will be reviewed regularly (within DLA, backorder reviews are accomplished either weekly or bi-weekly) for release.
- (3) The IM may initiate an immediate procurement action.
- (4) If the requisition is for an item being supported by Direct Vendor Delivery (DVD), the requisition may be passed to the contractor for support without delay, if it doesn't jeopardize support to U.S. Forces and if the contract includes SA processing.
- (5) The International Logistics Control **Office** (ILCO) is authorized to divert requisitions to a Commercial Buying Service (CBS) if action by the IM will not meet an FMS customer's need date as defined in the FMS requisitions of other communication. When DLA **ICPs** can't support an FMS requisition, cancellation should be accomplished using Status Codes CA or CB. When using Status Code CA, the first definition applies: "Rejected (1) Initial provision of this status will be by narrative message. The message will also state the reasons for rejection" will contain one of the two statements." One of the following statements will be used in conjunction with the CA status "Item is non-procurable-recommend use of alternate source of supply" or "Excessive lead time-3 years or longer-recommend use of alternate source of supply." (References B, C, D, E, and F apply.)

**FMS requisitions without RDDs or RADs** (blanks in rp 62-64) will be processed in accordance with the Issue Priority Designator (IPD) and other fields as listed in the MILSTRIP manual. Every effort should be made to meet the requisitioner's **RDD/RAD**. (References A, B, D, and **G** apply.)

**An Extended RDD is used when a foreign country requests a delayed shipment.** An extended RDD will contain an "S" in the first position, rp 62 of an automated requisition. The second and third positions of the extended RDD, rp 63-64 of the requisition, will contain numerics and will indicate the extended RDD in months. For these requisitions, shipments should not be released until 50 days before the extended

**RDD** expires, which is the last day of the month depicted by the entry, computed from the requisition date. Extreme care should be taken during the back order review process to ensure these requisitions are not released early. (References A, B, and D apply.)

**Early release of FMS Requisitions with an Extended RDD** will be rejected by the Standard Automated Materiel Management System (SAMMS) if release is attempted more than **50** days prior to the end of the month date of the extended RDD. System Change Request (SCR) **USDOH7-019** created a new Violation Reason Code (VRC) OK, "Backorder early release for FMS extended RDD verification requisitions" with a Manager Notification Information Code (MNIC) **"0"(zero)**. (References D and H apply.)

**FMS Exception Requisitions** will be processed in accordance with current **DoD** and DLA regulations. Exception requisitions contain remarks and are submitted by means other than data pattern or computer-readable fixed length format. The remarks are not contained on-line in the computer but reside in the Remarks File at the DLA **ICPs**. The remarks must be manually retrieved when needed. Also, Materiel Release Orders (**MROs**) for exception requisitions must be transmitted to the depots by fax, message, email, or telephone. For these reasons, the submission of exception data requisitions should be limited. These requisitions must still be processed through the applicable **ILCO** prior to coming into DLA for support. **ICPs** receiving requisitions with unnecessary exception data: such as: "ship by commercial air," "do not use postal system," or "ship overnight delivery" are authorized to delete such information, change the exception Document Identifier Code (DIC) to a non-exception DIC, and continue processing (reference B applies). Record positions (rp) 46 and 47 of the DIC A05 are used to identify exception ship-to or mark-for addresses. Record Position 46 is the FMS Offer/Release Option code. When **rp** 46 equals **"X"**, the US Government (USG) is responsible for transportation arrangements, as determined by the country representatives, the Letter of Offer and Acceptance (**LOA**), and the U.S. Military Department (MILDEP) responsible for administering the FMS case. Record Position 47 is the Country representative/Freight Forwarder code. This code designates the recipient of the shipment and documentation. When **rp** 47 equals **"X"**, the shipment is to be made to an address within the customer country not currently identified in the Military Assistance Program Address Directory (**MAPAD**). When **rp** 47 equals **"W"**, the shipment is to be made to an assembly point or staging area. Exception requisitions without the proper coding to bypass the **MAPAD** will ship to the **MAPAD** address. Exception requisitions without exception data and with **"XX"** or **"Xw"** in the supplementary address will be rejected. (References B and D apply.)

**DoD policy is that Not Mission Capable Supply (NMCS) and Anticipated Not Mission Capable Supply (ANMCS) FMS requisitions are authorized only for CLSSA cases.** Approved MILSTRIP Change Letter (AMCL) 40, Processing Cooperative Logistics Supply Support Arrangement (CLSSA) Requisitions, authorizes FMS CLSSA customers to use NMCS Code N and ANMCS Code E. It also authorizes the use of Expedited Handling Signal 555 and Expedited Transportation **Signal 777**. Expedited Handling Signal 999 remains authorized for use by U.S. Forces only.

AMCL 40 s currently staffed within the MILDEP for an implementation date. (References B and I apply.)

**IMs, when validating excessive quantities for FMS requisitions containing Advice Code 2L, should utilize this tool sparingly and only after analysis of the circumstances.** Advice Code 2L is used by the customer to confirm a valid requirement when the quantity exceeds normal demands. The DLA Maximum Release Quantity (MRQ) edit flags high quantity requisitions containing Advice Code 2L and exceeds the MRQ for IM review. DLA procedures state the IM shall review the quantity field for apparent errors that may have caused a request for a quantity in vast excess of normal demand. If an error is suspected/ identified, contact with the customer is required for correction. In this context, generally contact with the customer would be communicating with the appropriate ILCO country/case manager. In addition, any alternate means of supply should be considered when the quantity is not available for issue. The intent of the MRQ edit for requisitions containing Advice Code 2L is to support the customer's requisition without question whenever possible, unless an error appears apparent. Contact with the customer should be an exceptional action, which should always occur prior to cancellation of a requisition or a portion of the requisition. Routine queries to the customer on requisitions containing Advice Code 2L should not be the norm, but used only when total support of the quantity is not possible. No requisition containing Advice Code 2L should be canceled with "CS" status without prior contact with the customer. "D3" status should be used only if all avenues of communication have failed, including contact with the sponsoring MILDEP case manager. (References A, D, and J apply.)

**Cancellation of FMS requisitions with "BQ" status is to be used only when the customer has authorized/requested cancellation of all or part of their requisition quantity by submitting an AC\_ cancellation request. IMs, procurement, and/or depot personnel** will not cancel FMS requisitions with Status Code BQ without a customer cancellation request on file. The FMS customers are encouraged to request any **non-suffixed** requisitions cancelled inappropriately be reinstated by the ICP. It is understood **suffixed** requisitions cannot be reinstated. HQ DLA is tracking the use of Status Code BQ on FMS documents and will report periodically at the command level the inappropriate use of Status Code BQ. (References A, B, and K apply.)

**FMS requisitions being processed for direct delivery that cannot be procured in a reasonable time or in time to meet the customer's RDD** should be canceled with Status Code CA or CB. We currently have policy that has been published since April 19, 1995, specifying use of "CB" status and prompt cancellation of the requisition if the materiel cannot be procured in a reasonable amount of time. The customer also currently has the option to use "till or kill" Advice Code, 2J, 31, or 33. DLA recommends the ICPs procure items as swiftly as possible, but when this is not feasible, the ICP cancel the requisition. The U.S. Air Force Security Assistance Center (AFSAC) has requested DLA provide Status Code CA under these circumstances. When using Status Code CA, the first definition applies: "Rejected (1) Initial provision of this status will be by narrative message. The message will also state the reasons for rejection" and will contain one of the two statements "Item is non-procurable-recommend use of alternate source of supply"

or “Excessive lead time-3 years or longer-recommend use of alternate source of supply.” (References B, D, and F apply.)

**Use of message or email templates to query FMS customers regarding requisitions or requirements should use clear, courteous language.** ICPs are requested to ensure their templates do not use demanding or hostile language. The FMS customers and ILCO personnel have voiced concerns about the language used in some of the “canned” messages which they perceive as hostile. Recommended timeframes for customer responses should be as liberal as possible. Forty-five days is the minimum DoD policy for FMS customer responses. In many instances, the ILCOs will have to contact in-country personnel for answers to the ICP queries. In addition, ICP emails or queries should not request future demand data, end item application, or special program requirements from the FMS customers. Language threatening cancellation of requisitions for slow response by the customer should be tempered and again, timeframes should be as liberal as possible. Rejection or cancellation (Status Code D3, “Rejected. Activity did not respond to supply source request for additional information.”) is appropriate only when all avenues of correspondence have been exhausted. (References A and L apply.)

**The mission impact statement in a Supply Assistance Request (SAR) is not a mandatory entry for SA/FMS customers.** SAR procedures include a message format, found in MILSTRIP, Appendix A1 1-1, requiring a mission impact statement. Please be aware this statement is never **mandatory** for SA/FMS customers. SARs from FMS customers shall never be rejected for lack of information in paragraph 6. (References A, B, and M apply.)

**DFARS amended the instructions for completion of DD Form 250, Materiel Inspection and Receiving Report.** The changes, published in October 2000, add requirements for the inclusion of the title, mailing address, and telephone number of the USG official responsible for acceptance of supplies or services. This change was required to comply with Federal Acquisition Regulation (FAR) 32.905(f)(6) which requires receiving reports supporting invoice payments include the signature, printed name, title, mailing address, and telephone number of the USG official responsible for acceptance or approval functions. (Reference N applies.)

**DLA Standard Operating Procedures for Reclamation Requests.** Reclamation is the process of reclaiming serviceable and economically repairable components from excess/surplus property to support priority requirements. Priority removals are the result of urgent and unforeseen requirements that **cannot** be satisfied through normal supply and requisition channels with **the** exception of FMS requisitions. Reference 0 gives the procedures for requesting the removal of DLA managed parts from aircraft stored at the Aerospace Maintenance and Regeneration Center (AMARC) and applies to all DLA ICP Reclamation Program Control Officers, IMs, Emergency Supply Operations Centers (ESOCs), and technical support persons. These representatives are referred to in the following as DLA ICP reps. For requests from FMS customers for DLA managed items that cannot be filled in a timely manner by any source other than AMARC, the DLA ICP rep will notify the MILDEP country manager. The DLA ICP rep will let the country

manager know the item is available at **AMARC**. If the MILDEP country manager and the FMS customer agree **AMARC** may be used to fill the requirement, the DLA ICP rep will cancel the requisition using Status Code CA. Comment will be added stating the item is available at **AMARC**. The items at **AMARC** are MILDEP-owned and issued to the MILDEPs as “free issue.” The accountability of these assets lies with the appropriate MILDEP. DLA cannot “free issue” to FMS customers, nor can DLA bill for property it does not own. If the MILDEP country manager or the FMS customer does not agree to use **AMARC** assets, the DLA ICP will retain the requisition on backorder while other sources of supply are explored. DLA will no longer directly use **AMARC** as a source of supply to support FMS customers. **DLA’s** involvement is limited to informing the MILDEP of the availability of the part at **AMARC** to support the FMS requirement. (Reference 0 applies.)

**Support for Heightened Management requirements** are defined by reference P as

- Priority designator of 01 or
- Issue Priority Group (IPG) I (i.e., priorities 01, 02, and 03) with a NMCS indicator in the RDD field beginning with a “9,” “N,” “E,” or
- IPG I requirements with Office of the Secretary of Defense (OSD)/Joint Chiefs of Staff (JCS) Project Codes beginning with “9 \_ \_.”
- FMS requirements under a CLSSA citing a priority designator within IPG I and an **OSD/JCS** Project Code beginning with “9 \_ \_.” (CLSSA requirements are identified by a V in rp 35 of the requisition and a 1 in **rp** 72 of the requisition.

The memorandum requires DLA ICP Commanders ensure all personnel involved in the processing of Heightened Management requirements (i.e., supply, technical, quality, procurement, financial, etc.) understand the importance of these requirements and take appropriate action to quickly support the requirements. (Reference P applies.)

**The restriction on marketing SA customers** as defined in reference DD stipulates marketing to SA customers is limited to thoroughly answering queries from the foreign countries or the MILDEP representing the country’s interests. Country visits for the purpose of marketing DLA-managed materiel is strictly prohibited unless a formal invitation is forwarded by the foreign country through the Security Assistance **Officer**, the country’s embassy, or OSD. When invited to attend a function with marketing potential, DLA activities **are** reminded to respond to queries from a DLA-wide perspective, not just on behalf of an individual field activity. (Reference Q applies.)

**DLA has reconciled the CLSSA Investment** from FMS customers with three of the four MILDEPs. DLA and the U.S. Army Security Assistance Command, the U.S. Navy Inventory Control Point (**NAVICP** OF), and the U.S. Marine Corps Logistics Base (MCLB Code 819) are in full agreement as to the amount of CLSSA investment residing at DLA. The U.S. AFSAC and DLA are continuing negotiations as the AFSAC demands the value of the Consumable Item Transfer be included as CLSSA liability for DLA.

DLA, in Reference R, defined a methodology required by DLA when the CLSSA investments are increased or decreased by the MILDEPs. This will ensure DLA is

always fully aware of the amount of CLSSA investment in DLA. Any modification of the CLSSA investment requires a copy of the SF 1080 be provided to HQ DLA. DLA then reconciles the balances in the sub-accounts by MILDEP with the Defense Finance and Accounting Service (DFAS) on a quarterly basis. (Reference R applies.)

**Delivery Term Code (DTC) 4** remains unauthorized for use when requisitioning a Defense Working Capital Fund (DWCF) consumable DLA-managed item. The use of DTC 4 in DWCF requisitions may cause double billing for transportation charges. The cost of transportation is built into the Standard Unit Price of DWCF items, but DTC 4 denotes shipment by collect commercial bill of lading, which will cause the freight forwarder to be billed for the transportation upon delivery by the carrier. (Reference S applies.)

#### **SUPPLY DISCREPANCY REPORT (SDR) PROCESSING:**

**The DLAI 4140.55, January 1999**, reference L, incorporates SA guidance to enable deletion of the separate guidance under DLAR 4140.60. Guidance specific to SA is provided in Enclosure 7 of DLAI 4140.55 and the DoD 5105.38M. DLAI 4140.55 may be found on the web at <http://www.dlmso.hq.dla.mil/> by clicking on Manuals in the list on the left. The DLAI 4140.55 implements Approved Defense Logistics Management Standards (DLMS) Change 13, Signature Requirements for Security Assistance SDR/SDR Reply, authorizes submission of SDRs via electronic/automated means, and provides shipping document retention guidance for SA. The guidance eliminates the minimum dollar value restriction for U.S. Forces' SDRs for DLA-directed shipments, but this change does not apply to SA SDRs. There is still a minimum dollar value for SA SDRs based on the LOA. Since DLA activities do not usually see the LOA, we process whatever SDRs the ILCOs pass to us. Occasionally, the ILCOs will pass an SDR under the dollar value generally accepted. This is due to political or other reasons, and DLA shall process those SDRs. However, DLA shall not accept any SDRs that have not been through the ILCOs. The ILCOs will either attach a cover letter or stamp the SDR or make some other identifying mark that will tell DLA the SDR has been edited and passed on by the ILCO. (References B, C, and T apply.)

#### **COMMUNICATION:**

**DLA employees will make every effort to be responsive to SA/FMS customers** when an ILCO allows direct communication between their Foreign Liaison Officer (FLO) and DoD components. Direct communication is authorized and encouraged by DLA. The only restriction is that request for Price and Availability (P&A) studies will not be accepted by telephone. (References A, B, C, and U apply.)

The **MILSTRIP** procedures, Reference B, and DLAM 4140.2, and Reference D, both say "at least 30 days" must be allowed for foreign customers to respond to quantity validation requests. DLA, through policy letters, has requested IMs allow 45 days for foreign customers to respond to queries. (References A and L apply.)



## **SUSPENDED COUNTRY DATA REPORTING:**

Each FMS country suspension message received from the Defense Security Cooperation Agency (DSCA) has a requirement for all MILDEPs and Agencies to report materiel held at depots, Defense Contract Management Agency (DCMA) activities, vendors, and manufacturing plants due to the suspension. This requirement is passed to DLA field activities by the ILCO message. Any activity holding materiel or requiring a manufacturer or vendor to hold materiel due to a country suspension shall report the materiel held on a quarterly basis. It is necessary the final disposition of all open requisitions, contracts, and MROs be recorded and maintained, even after each requisition is closed and the country suspension is lifted. This is to protect DLA in the event a country sues the USG following a suspension. All information relating to the closure of requisitions following a country suspension must be retained under DLA's document retention rules detailed below. (References A, C, and W apply.)

## **SA DOCUMENTATION RETENTION:**

**FMS Transportation Case Files as well as all records required to monitor and process the delivery of materiel and services to SA/FMS customers shall be retained for a period of two years in active files and 28 years at a Federal Records Center.** Reference C specifically notes required retention of suspended country information, while Reference W provides overall guidance and Reference V reiterated the policy contained in the references. ICPs must ensure procurement contracts contain the required clauses for submission of documentation and that vendors are fully aware of the document retention requirements. Due to past litigation, DLA must always be prepared to verify our actions relating to the processing and issuing of SA/FMS materiel. This includes materiel managed by the MILDEPs and issued and shipped by DLA depots. In addition, paper copies remain the only information storage medium accepted by the international courts. Original documents will be retained unless required by regulation to be used elsewhere. If paper copies are not available, electronic storage mediums may be used with the understanding data must be kept for the required period of time and must be accessible. An internal review is being requested to ascertain if some depots are destroying FMS documentation in violation of the policy. (References C, W, and V apply.)

**Generally, FMS MROs are afforded depot and transportation processing in accordance with the IPD** submitted in the requisition (references A, B, and C apply) in addition to RDDs, extended RDDs, RADs, and Expedited Handling Signal codes and Expedited Transportation Signal codes. AMCL 40 (Reference I), provides a definitive policy for use of NMCS, ANMCS, and Expedited Signal Codes as they apply to FMS requisitions. NMCS N and ANMCS E are authorized for FMS programmed and non-programmed CLSSA requisitions. The change also authorizes the use of expedited Handling Signal 555 and Expedited Transportation Signal 777 on FMS CLSSA requisitions. The change does not apply to Expedited Handling Signal 999 which is reserved solely for use by U.S. Forces. If the RDD is blank in an FMS MRO, it will be processed under the UMMIPS standards. Automatic downgrade of FMS MROs is not

authorized. Reference X, although an older reference, is still valid, in that FMS and Civilian Agency **MROs** are afforded Depot Transportation processing in accordance with **the** IPD submitted in the requisition. In addition, all FMS shipments must be shipped by a traceable mode. (References A, B, C, and X apply.)

**MMLSD Policy Memorandum of September 16, 1996, advised DLA depots would not force close open/unconfirmed MROs.** The Expanded Materiel Receipt Acknowledgment Procedures, AMCLs 11 (MILSTRAP) and 15 (MILSTRIP), have now been implemented. Reference W, AMCLs 11 and 15, expands materiel receipt acknowledgment procedures to include SA shipments when unconfirmed **MROs** are involved.

Depots will process a DIC AE6 transaction with “BE” status if the depot has a record of the MRO but no record of having taken action in response to the MRO. If the ICP has this BE status or 60 days have passed from the MRO generation date without confirmation and no MILSTRAP Materiel Receipt Acknowledgment (MRA) has been received, the ICP will generate a DIC ASH shipment status transaction to the Defense Automatic Addressing System Center (DAASC). DAASC will furnish this status to the ship-to activity identified by the signal code. If DAASC **cannot** determine the “ship-to” activity, DAASC will return the document to the ICP for mailing. DAASC will route the pseudo shipment status transaction for the SA requisitions to the applicable Service ILCO based on entries in **rp** 30 (Service Code) and **rp** 54 (Distribution Code) of the requisition.

For shipments to SA recipients, the **ICPs** may elect to use the MRA data or generate a DIC **ARH** transaction, entering the mode of shipment and date shipped from the MRA, to interface with billing. If an MRA response is not received within the initial and follow-up time frames, the ICP may force close the MRO using a DIC ARH transaction. The **ICPs** will ensure proper inventory accounting and billing policy and procedures are applied. In response to DIC DRA transactions indicating non-receipt, the ICP may force close the open MROL and bill for the materiel or reprocess (ship) the materiel based upon established dollar thresholds. (References A, B, and Y apply.)

#### **SHELF-LIFE REQUIREMENTS FOR SA/FMS ISSUES:**

**A DoD Shelf-Life Program change requires at least 12 months shelf-life remaining on items with 24 or more months original shelf-life for requisitions in support of OCONUS customers.** DoD 4140.27-M publishes this information for all OCONUS customers, including deployed ships, U.S. overseas forces and **FMS/SA** customers. Although most FMS materiel is shipped to **CONUS** freight forwarders, the shelf-life requirements are to ensure the item gets in country to the ultimate user with plenty of shelf life remaining on the item. The Last-In-First-Out requirement for **FMS/SA** issues is still valid. (Reference Z applies.)

#### **PRESERVATION AND PACKING FOR FMS SHIPMENTS:**

**The standard for SA/FMS materiel preservation and packing is A/B.** The logistics community revamped MIL-STD-2073-1C, the DoD Standard Practice for Military Packaging in October 1996. MIL-STD-2073-1C emphasizes the maximum use of commercial packaging for the DoD, and specifies military packaging is required only on items expected to enter the military distribution system. These exceptions include items for SA programs. So, FMS or other SA shipments must be preserved and packaged in accordance with MIL-STD-2073-1C. Reference P contains the Acting Under Secretary of Defense (Acquisition and Technology) memorandum, which provides the above information. Reference Q is an excerpt from the MIL-STD-2073-1C, which can be found online at <http://www.dcmde.dema.mil/indy/pdf/MS2073-1d.pdf>. (References AA & BB apply.)

#### **SYSTEMS ACCESS AND FMS DOCUMENT SUBMISSION:**

**The MILDEPs have requested FMS customers be restricted from using Defense Supply Expert System (DESEX)** to submit new requisitions. From this request, DLA requested the Defense Logistics Information Service (DLIS) program DESEX to reject new FMS requisitions input to DESEX. Reference AC is the memorandum requesting DLIS action, which was completed in April 2000. The MILDEPs may enter FMS requisitions into their own automated systems which feed through the Defense Automated Address System (DAAS) to DLA's ICPs. In addition, requisitions may be called in to the DLA Call Centers, faxed, or **emailed** in by the MILDEPs. FMS requisitions submitted through DESEX will reject with Status Code CQ. (Reference CC applies.)

**Foreign nationals, including those persons acting in the U.S. as FLOs, are authorized restricted access to SAMMS.** Reference AD provides the approval for foreign national access to SAMMS data and an excerpt of the DoD Directive 5200.28, Security Requirements for Automated Information Systems. Foreign nationals who act in a liaison capacity for their governments may be allowed access to the verb SQAF - combined National Inventory record and Due-In File Inquiry and the verb SARC - Active Requisition Control and Status File Inquiry. As of this date, HQ DLA is developing a means for FMS customers and FLOs to access additional data from the World Wide Web by means of WEBLINK. This will afford access to the DLA data contained in LIPS (by document only), LOGRUN, DAASC INQ (Military Assistance Program Address Codes (MAPACS), Routing Identifier Codes (RICs), and Communications Routing Identifiers (COMMRIs)), and DRMS, for visibility of excess materiel, in addition to the SQAF and SARC verbs in SAMMS. (Reference DD applies.)

#### **FMS PROCUREMENT SUPPORT:**

**The DSCA has approved the use of fast payment procedures and direct vendor delivery for FMS requirements.** Reference AE is the formal PROCLTR providing revised Defense Logistics Acquisition Directive (DLAD) guidance on the use of fast payment procedures and direct vendor delivery for FMS. DLAD SUBPART 13.4 -Fast Payment Procedure, provides the following guidance in Paragraph 13.402 "Conditions

for use. Sub paragraph (90) Additional criteria have been added when determining the applicability of fast payment procedures. (2) Direct Vendor Deliveries (**DVDs**). **DVDs**, including overseas shipments that go through a consolidation point and requirements, are authorized to use fast payment procedures (see **25.7302-90**). However, **DVDs** with source inspection or **DVDs** with subsistence requirements shipped through a consolidation point prior to shipment overseas are not authorized to use fast payment procedures.” SUBPART 25.73 -Acquisitions for Foreign Military Sales, Paragraph 25.7302-90, FMS shipping instructions. (e) discusses **ICP’s** approval for use of **DVD** with fast payment procedures as a means to improve support for FMS customers. This approval will allow the inclusion of FMS customer requirements in many contract arrangements and eliminate unnecessary Government source inspections. However, the following considerations may affect the decision to include FMS requirements in **DVD** contracts:

The ability to include FMS requirements in contracts may still be limited by preservation and packing requirements. Marking requirements must comply with **MIL-STD-129** and the Security Assistance Management Manual for FMS requirements. Commercial marking practices do not generally contain all information required by those documents. It is particularly important to clearly mark the requisition number on the packaging.

Under the terms of the **LOA** negotiated with foreign governments, title transfers to the foreign government at the contractor’s loading dock. (Note: The **LOA** language pertaining to title transfer at the contractor’s shipping dock does not require inspection and acceptance at origin or the use of **f.o.b.** origin shipping terms.) The **LOAs** also require repair and replacement of items for one year after shipment. Under fast payment procedures, the contractor is responsible for repair and replacement of items for a period of 180 days from the date title to the supplies vests in the Government. For FMS requirements, this would equate to 180 days **from** the date of shipment. In order to comply with the terms and conditions of the **LOA** when using fast payment procedures, problems not identified within 180 days of shipment must still be resolved by the **ICPs**. Also, stated is that materiel supplied to **fulfill** FMS requirements should receive the same level of inspection that is afforded to U.S. military customers for the same materiel. (Reference EE applies.)

## ACRONYMS

AFSAC	Air Force Security Assistance Center
AMARC	Aerospace Maintenance and Regeneration Center
AMCL	Approved MILSTRIP Change Letter
ANMCS	Anticipated Not Mission Capable Supply
CBS	Commercial Buying Service
CLPSC	Cooperative Logistics Program Support Code
CLSSA	Cooperative Logistics Supply Support Arrangement
DAAS	Defense Automated Address System
DAASC	Defense Automatic Addressing System Center
DCMA	Defense Contract Management Agency
DESEX	Defense Supply Expert System
DFAS	Defense Finance and Accounting Service
DIC	Document Identifier Code
DLIS	Defense Logistics Information Service
DLMS	Defense Logistics Management Standards
DSCA	Defense Security Cooperation Agency
DTC	Delivery <b>Term</b> Code
DVD	Direct Vendor Delivery
DWCF	Defense Working Capital Fund
ESOC	Emergency Supply Operations Center
FAD	Force Activity Designator
FAR	Financial Acquisition Regulation
FLO	Foreign Liaison <b>Officer</b>
FMS	Foreign Military Sales
ICP	Inventory Control Point
ILCO	International Logistics Control Office
IM	Item Manager
IPD	Issue Priority Designator
IPG	Issue Priority Group
JCS	Joint Chiefs of Staff
LOA	Letter of Offer and Acceptance
MAPAC	Military Assistance Program Assistance Code
MAPAD	Military Assistance Program Assistance Directory
MILDEP	Military Department
MNIC	Manager Notification Information Code
MRA	Materiel Receipt Acknowledgement

MRO	Materiel Release Order
<b>MRQ</b>	Maximum Release Quantity
NMCS	Not Mission Capable Supply
<b>NOA</b>	Notice of Availability
OSD	<b>Office</b> of the Secretary of Defense
P & A	Price and Availability
RAD	Required Availability Date
RDD	Required Delivery Date
ROPL	Reorder Point Level
RP	Record Position
SA	Security Assistance
SAMMS	Standard Automated Materiel Management System
SAR	Supply Assistance Request
SCR	SAMMS Change Request
SDR	Supply Discrepancy Report
SOS	Source of Supply
TAC	Type of Assistance Code
UMMIPS	Uniform Materiel Movement and Issue Priority System
USG	US Government
VRC	Violation Reason Code

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- C. DoD 5105.38M, Security Assistance Management Manual (SAMM).
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- E. DSCP Talking Paper and memorandum of January 10, 2000 on the Five 2 One Backorder Release Program.
- F. DLSC-CI memorandum of September 27, 1999, Subject: CA Cancellation Policy for Parts and Repair Ordering System
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- N. DFARS Change Notice 20001025 of October 25, 2000, Materiel Inspection and Receiving report (DD Form 250) (DFARS Case 2000-D008).
- O. DLSC-LS Memorandum of May 1, 2000, Subject: Defense Logistics Agency (DLA) Standard Operating Procedures for Reclamation Requests
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- S. DLSC-CI Memorandum of October 13, 1998, Subject: DLA Policy on Use of Delivery Term Codes (DTC).

- T. DLAI 4140.55, dated January 21, 1999, Reporting of Supply Discrepancies
- U. DLA MMSRS/SA LETTER OF April 21, 1994, Subject: Inquiries by Foreign Liaison **Officers (FLOs)** to ICPs.
- V. HQ DLA MMBN memorandum of May 27, 1997, Security Assistance Document Retention Policy.
- W. DLAI 5015.1, Files Maintenance and Disposition.
- X. DLA-OT message **R121609Z** Feb 92, Subject: DLA Policy on Automatic Downgrade/Air Challenge.
- Y. MMLSD memorandum of September 16, 1996, Subject: Distribution Policy on Open/Unconfirmed Materiel Release Orders (**MROs**).
- Z. **DoD** 4140.27-M, **DoD** Shelf-Life Manual
- AA. Single process Initiative and Packaging Policy; October 10, 1997 AUSD Memorandum (copy extracted from the web).
- BB. Excerpt (index pages) of **MIL-STD-2073-1D**, **DoD** Standard Practice for Military Packaging.
- CC. DLSC-CI memorandum of March 13, 2000, Subject: Foreign Military Sales (FMS) Requisitions Submitted Through the Defense Supply Expert (DESEX) System.
- DD. CAAS memorandum of June, 1998, subject: Approval of Foreign National Access to the Standard Automated Materiel Management System (SAMMS)
- EE. PROCLTR 01-01 of January 8, 2001, subject: Foreign Military Sales Support